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Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

JUL = 6 1993

FEDERAL COMMUNICATIONS COMMISSION OFFICE OF THE SECRETARY

In the Matter of

Treatment of Operator Services Under Price Cap Regulation

CC Docket No. 93-124

COMMENTS

U S WEST Communications, Inc. ("U S WEST"), through counsel and pursuant to the Federal Communications Commission's ("Commission") Notice of Proposed Rulemaking, hereby files its comments on the proposed treatment of operator services under price cap regulation.

I. INTRODUCTION

In its NPRM, the Commission tentatively concludes that a separate service category should be established for operator services in the traffic sensitive basket and that a five percent banding limit (i.e., plus or minus five percent) should be applied to this category. The Commission's conclusion was based on the need "to ensure that price cap companies do not have unlimited ability to change prices for these services in relation to other traffic sensitive or interexchange rates."3

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Treatment of Operator Services Under Price Cap Regulation, CC Docket No. 93-124, Notice of Proposed Rulemaking, rel. May 26, 1993 ("NRPM").

²<u>Id.</u> at ¶ 1.

³Id.

U S WEST does not object to the placement of operator services in the traffic sensitive basket. But U S WEST opposes the creation of yet another service category with banding limits.

II. THE PRICE CAP STRUCTURE IS BECOMING UNDULY COMPLEX AND REDUCING INCENTIVES

The Commission's proposal to create a separate operator services category with five percent banding limits is the latest

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comparison. Clearly, the proposed price cap structure is anything but simple -- it is beginning to look like a "Rube Goldberg" design.

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III. CONCLUSION

For the foregoing reasons, U S WEST urges the Commission to refrain from creating a separate service category or adopting banding limits for operator services.

Respectfully submitted,
U S WEST COMMUNICATIONS, INC.

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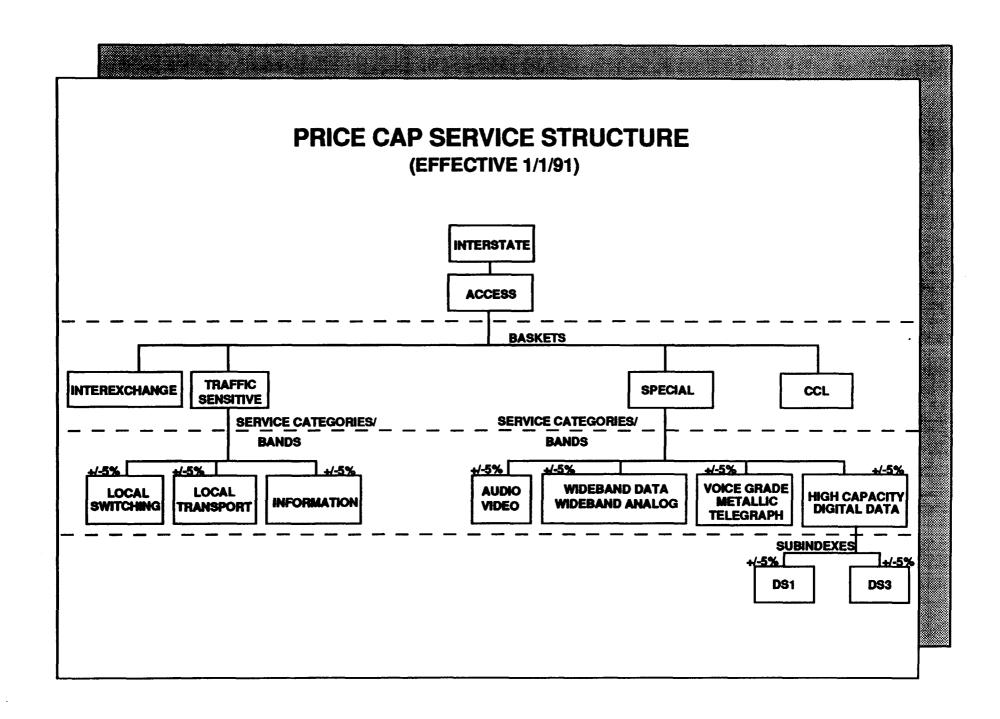
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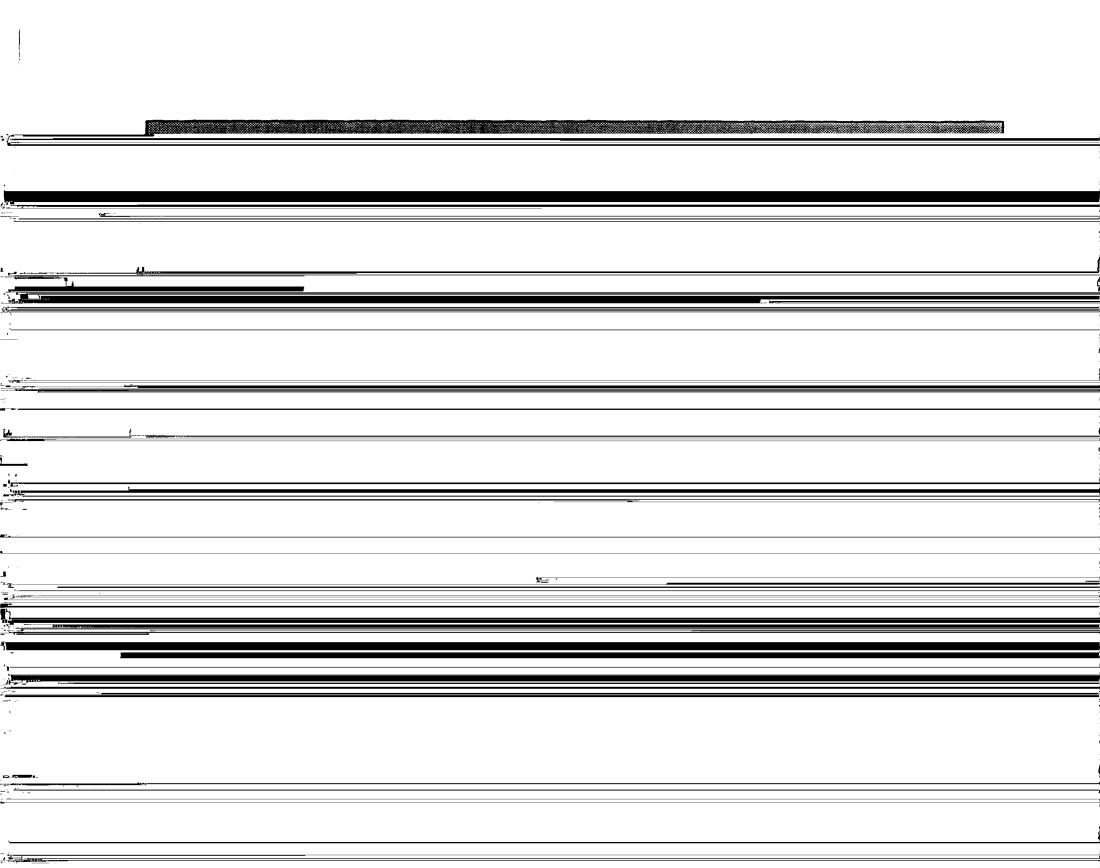
Its Attorney

Of Counsel, Laurie J. Bennett

July 6, 1993

ATTACHMENT 1





CERTIFICATE OF SERVICE

I, Kelseau Powe, Jr., do hereby certify that on this 6th day of July, 1993, I have caused a copy of the foregoing COMMENTS to be served via first-class United States Mail, postage prepaid, upon the persons listed on the attached service list.

Kelseau Powe, Jr.

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